

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS GUATEMALA 000821

SIPDIS

SENSITIVE

E.O. 12958: N/A

TAGS: [PREL](#) [MOPS](#) [GT](#)

SUBJECT: BERGER PUBLICLY ANNOUNCES DEEP MILITARY CUTS

REF: A. GUATEMALA 548

[1](#)B. GUATEMALA 771

[1](#)1. (U) In a public ceremony at the National Palace on April 1, President Berger formally announced a reduction in troop levels, to be implemented by June 30, from 27,214 to 15,500 (about 43%) and a 30% reduction in the military's budget for 2004 (the budget cut for 2004 was even deeper if intra-budget transfers that plussed up the Defense budget beyond Congressionally approved levels are taken into account). Beginning in 2005, the military budget will be capped at 0.33% of GDP, or exactly half the limit set by the 1996 Peace Accords. The announcement, jointly made by Security Commissioner Otto Perez Molina, the Minister of Defense, and President Berger, was consistent with political agreements reported reftels and contained no surprises.

[1](#)2. (SBU) Comment: Vice President Stein and Presidential Advisor Eduardo Gonzales told the Ambassador that a March 30 4-hour session with 60 senior officers to explain the decision was tense, but had ultimately gone well. Military leaders have expressed concern to us as well that the drawdown will not be accompanied, as the GOG is promising, by real modernization. Perez Molina's participation in the ceremony was significant after earlier indications he might distance himself from the reductions. At the Ambassador's suggestion, the GOG will be briefing the diplomatic corps in greater detail early next week.
HAMILTON